(c) whether this high duty imposition has brought down the demand for pressure cookers and hiked the consumption of kerosene oil;

(d) if so, whether Government propose to review the decision in this regard; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) As part of the overall policy of broadening the tax base and to give protection to the tiny and small units, excise duty on pressure cookers was imposed in 1994 budget at the rate of 10 percent. The effective increase in excise duty will be considerably less as the manufacturers will be able to take full credit of excise duty paid on their inputs. Besides, small scale units making pressure cookers will not have to pay any excise duty on their clearances up to Rs. 30 lakhs, and the incidence of duty will be borne only by bigger units. There is no information available that the imposition of excise duty has discouraged the use of pressure cookers resulting in higher consumption of kerosene oil.

(d) and (e) Do not arise in view of (a), (to) and (c) above.

Payment of DA to Central Government employees

1149. SHRI BHAGABAN MAJHI: Will the Minister of FINANCE be pleased to state

(a) the quantum of DA that has become due for payment to the Central Government employees at present; and

(b) the steps taken to release the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) In accordance with the formula accepted by the Govt, on the basis of the recommendations of the 4th Central Pay Commission, dearness allowance to Central Govt, employees is revised twice a year from 1st January and 1st July which normally becomes payable with the salary for the months of March ad September respectively Each such instalment is calculated on the basis of the percentage increase in 12 monthly average of All India Consumer Price Index for Industrial Workers (General) (1960—100) over the base index of 608, to which the existing scales of pay effective from 1-1-1986 are related. The additional instalment of DA due from 1st January becomes normally payable with the salary for the month of March, paid in April.

World Bank Amount

1150. SHRI S. VIDUTHALAI VIRUMBI: Will the Minister of FINANCE be pleateed to state;

(a) what is the total amount sanc tioned by the World Bank for several schemes in India during the last three years;

(b) what is the amount undisbursed for those Schemes during the siame period;

(c) whether it is a fact that Government are paying some charges on. those unavailed amounts; and

(d) if so, the details thereof?

THE MINISTER OF STATE EN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The total amount authorised by the World Bank to India was Rs. 6946 Crores Rs. 5122 Crores and Rs. 4465 Crores during 1991-92, 1992-93 and 1993-94 respect!, vely.

(b) The disbursement of these amounts depend on the project-cycle implementation schedule, which is normally 5 to 7 years. The cumm-tilative undisbursed amount against the loan sanctioned during the last

three years was Rs. 13880 Crores as on 31 .3.1994.'

(c) and (d) Yes Sir. IBRD loans carry commitment charge of 0.75 per cent ' on undisguised amount and a Tebate of 0.5 per cent is, however, permitted 'for timely repayment of these loans. At present no commitment charges are levied on IDA credit.

Malhotra Committee's Recommendations

1151. SHRI VIREN J. SHAH:
SHRI FRAMOD MAHAJAN:

Will the Minister of FINANCE be pleased to refer to the lanswer to Unstarred Question 80 given in the Rajya Sabha on 14th February, 1995 and state:

(a) on which date the Malhotra Commhtee was appointed; • (b) when the Committee submitted its report to Government and what are the details of its recommendations;

(c) what action has been taken by Government on each of the recomm endations contained in the report; and

(d) if no decision has so far been taken, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. *V.* CHANDRASHEKARA MURTHY): (a) The Malhotra Committee was "appointed on 7th April, 1993. of (b) The Committee submitted its reoprt *to* the Government on 7th January The list of major recommendations of the Malhotra Committee is enclosd as Statement *"(Sec* below).

(c) and (d) The. report of the Malhotra Committee is under consi-Deration of the Government.

Statement

Major *recommendations,* of, the Com-*mitiee on reforms in Insurance Sector* (1) There is an urgent need to

activate the insurance regulatory apparatus even in the present setup of nationalised insurance sector. For this purpose, and as an interim measure, the office of Controller of Insurance should be restored its full functions under the Insurance Act and it Should be set up as a separate office as a matter of high priority. Meanwhile, steps should be initiated for the-establishment of a strong and effective insurance regulatory authority in the form of a statutory autonomous board on the lines of SEBI.

(2) LIC which is a statutory corporation should be converted into a company registered under the Companies Act. The present capital of Rs. 5 crores of LIC contributed entirely by the Central Govt, should be raised to, Rs. .200 crores with Government holding 50 per cent thereof and the remainder being held, by public at large reserving a suitable portion for LIC employees.

(A) The Central Office of the LIC should concentrate on policy formation, investment, product de velopment, . actuarial valuation, personnel policies, systems deve lopment and (account of the.Corpo ration. LIC's Zonal Offices should be delegated powers and should become Head Offices for insurance business, and related matters in their respective jurisdictions.' Zonal Managers should be, made members of UC Board. The process of re organisation of the Central Office and Zonal Offices should be completed within a period of sire months. The Sufelaltey staff' at Central Office and Zonal Offices arising out of the restrnctnring should he re-deployed preferably with the Branches whare the impact of growth of business It immediately felt.